

Lenses for the eye that are permanently placed in the eyes of patients that have cataract surgery qualify for the low (1%) rate of tax as medical appliances. See 86 Ill. Adm. Code 130.310. (This is a GIL).

October 25, 2002

Dear Xxxxx:

This letter is in response to your letter dated July 25, 2002. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120 subsections (b) and (c), which can be found at <http://www.revenue.state.il.us/Laws/regs/part1200/>.

In your letter, you have stated and made inquiry as follows:

AAA is requesting an interpretation of the regulation regarding whether or not Collamer Plate Inter Ocular Lenses are subject to the reduced one percent sales tax rate. These lenses are considered a medical appliance and are used following cataract surgery. They are intended to be permanently placed; however, they can be removed if medically necessary.

We currently have an out of state vendor charging us the higher 6.25% sales tax rate. Please send us written confirmation of the correct sales tax rate applicable. I have enclosed the manufacturers' description of the lens for your benefit.

Should you need further assistance please do not hesitate to contact me.

The gross receipts from sales of tangible personal property in Illinois are subject to Retailers' Occupation Tax unless an exemption is specifically provided. General merchandise is taxed at the rate of 6.25%. However, medicines and medical appliances for use by humans are taxed at a lower rate of 1%. See the Department's regulation at 86 Ill. Adm. Code 130.310.

A medical appliance is defined as an item intended by its manufacturer for use in directly substituting for a malfunctioning part of the body. Examples of items that qualify are artificial limbs, dental prostheses, orthodontic braces, crutches, wheelchairs, are heart pacemakers. Corrective medical appliances such as hearing aids, eyeglasses and contact lenses are also examples of qualifying items.

Although your letter does not specifically say so, it is our understanding that the Collamer Plate Inter Ocular Lenses are lenses for the eye that are permanently placed in the eyes of patients that have cataract surgery. If this is the case, it is the Department's opinion that the lenses qualify for the low (1%) rate of tax as medical appliances.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Martha P. Mote  
Associate Counsel

MPM:msk  
Enc.